



State of Utah

DEPARTMENT OF COMMERCE Committee of Consumer Services

Minutes of the Meeting of the Committee of Consumer Services held in Room 210, 2nd floor, Heber M Wells Building, 160 East 300 South, Salt Lake City, Utah, on 12 Sept. 2007

Members of the Committee in Attendance:

Dee Jay Hammon
Andrew Riggle

Kelly Casaday
Franz Amussen

Betsy Wolf
Robert McMullin

Staff in Attendance:

Michele Beck
Kevin Hale
Eric Orton

Paul Proctor
Cheryl Murray
Ronnie Drake

Chris Keyser
Dan Gimble

Members of the Public in Attendance:

Roger Ball
Tim Bereece

Jasen Lee
Kelly Knutsen

Dave Taylor

1 Welcome and Business

Dee Jay called the meeting to order at 9:35 a.m. and welcomed all those in attendance.

The tentative date scheduled for the next Committee Meeting is 10 October 2007.

2 Minutes

Robert McMullin made a motion to approve 13 June 2007 minutes. Kelly Casaday seconded the motion and it passed unanimously.

Robert McMullin made a motion to approve 11 July 2007 minutes. Betsy Wolf seconded the motion and it passed unanimously.

3 Public Comment

Roger Ball asked to reserve the right to speak on items as they came up on the agenda

4 Case Update

Michele reviewed the following cases:

1. Questar's Conservation Enabling Tariff (CET) case
2. 801 Area Code Overlay or Split
3. Rocky Mountain Power IRP
4. Questar Gas IRP
5. Bresnan Broadband of Utah
6. Upcoming Rate Cases

5 CO2 Issues

Eric reviewed that on 28 August 2007, Questar Gas Company announced that it will no longer use the CO2 plant, as of 1 February 2008.

6 Consultant Updates

Chris gave updates on previous direction given to the committee Staff on the following contracts:

1. Sole Source Request for Tom Norris was approved by State Purchasing for \$66,200.
2. Staff pursued renegotiating with Nancy Kelly. An amendment to extend contract through 2008, in the amount of \$175,000, is in process.

Upcoming Rate cases with Questar Gas Company and Rocky Mountain Power require contracted experts. Here is the summary of proposals the committee Staff would like to pursue:

1. Amended Larkin & Associates contract for \$110,000. (Rocky Mountain Power General Rate Case)
2. Amended Hayet Power Systems consulting contract for \$75,000 - \$85,000. (Questar Gas Company General Rate Case)
3. Amended Larkin & Associates / Acadian Consulting Group contract for \$175,000. (Questar Gas Company General Rate Case)
4. Issue Request for Proposal for: Cost of Capitol, Cost of Service, and PCAM. (Rocky Mountain Power General Rate Case)

Robert McMullin made a motion to approval the summary of proposals made by the committee Staff. Andrew Riggle seconded the motion and it passed unanimously.

7 Depreciation

Dan reviewed the Rocky Mountain Power depreciation case. One issue within this case is the length of the coal plants. The coal plant has an existing 46-year life span. The

committee Staff recommends the Committee Members discusses and approves one of these options:

Option #1: Oppose 64-year average life span and stick with existing 46-year life span.

Option #2: Support a stepwise increase (e.g., 56-year life span) until more information is available on climate change policies

Option #3: Support the increase to a 64-year average life span

Robert McMullin motioned for the Committee to support that coal plant lives be increased to a 64-year average life span (option #3). Kelly Casaday seconded the motion and it passed 5-1, Betsy Wolf opposing.

8 Climate Change

Cheryl presented part 3 of the climate change issue. This part examines general characteristics of potential climate change programs, describes potential impact on consumers, and begins discussion regarding potential policy positions of the Committee.

9 Other Business

Kelly Casaday made a motion to adjourn the Committee meeting at 12:30 p.m.